

Senate Bill No. 98

CHAPTER 36

An act to amend Sections 40448.5 and 40448.5.1 of the Health and Safety Code, and to repeal, add, and repeal Section 9250.11 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 8, 1999. Filed with
Secretary of State June 8, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

SB 98, Alarcon. Vehicles: fees: air pollution.

(1) The Lewis-Presley Air Quality Management Act requires the South Coast Air Quality Management District to establish a program to encourage participation in projects to increase the utilization of clean-burning fuels.

This bill would require the south coast district to establish an Office of Technology Advancement to administer the clean-burning fuels program and to establish an advisory group, as specified, to make recommendations regarding the program, technology advancement, and pollution reduction. The bill would also require the south coast district, on or before March 1 of each year, to prepare and submit to the Legislative Analyst and to specified committees of the Legislature, a report that contains specified information regarding the program. By imposing new duties on the south coast district, the bill would impose a state-mandated local program.

(2) Existing law, until August 1, 1999, authorizes the south coast district to impose a \$1 fee on the renewal of registration of motor vehicles in the district, to fund the program.

This bill would extend that motor vehicle registration fee authority until January 1, 2005. The bill would make other conforming changes.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 40448.5 of the Health and Safety Code is amended to read:

40448.5. (a) The south coast district shall establish an Office of Technology Advancement to administer the clean-burning fuels program established pursuant to this section. The program shall encourage projects that increase the utilization of clean-burning fuels that reduce public health hazards from air pollution. The south coast district shall coordinate the program with the state board, the State Energy Resources Conservation and Development Commission, and other appropriate state and federal agencies and private organizations that are conducting activities to promote the use of clean-burning fuels.

(b) After holding at least two public hearings to solicit public comment on a clean-burning fuels program, the south coast district shall annually adopt a program of activities for increasing the use of clean-burning fuels in the transportation and stationary source sectors.

(c) The program shall include an identification of potential funding sources, including, but not limited to, state and federal funds; private-sector funds; revenues from district permit, variance, and emission fees; proceeds from district penalty settlements and judgments; and funds from other sources under the jurisdiction of the south coast district.

(d) In developing its program, the south coast district shall consider promoting projects in the transportation and stationary source sectors utilizing methanol fuel, fuel cells, liquid petroleum gas, natural gas, including compressed natural gas, combination fuels, synthetic fuels, electricity, including electric vehicles, and other clean-burning fuels.

(e) When considering which clean fuels projects to promote, the south coast district shall consider, among other factors, the current and projected economic costs and availability of fuels, the cost-effectiveness of emission reductions associated with clean fuels compared with other pollution control alternatives, the use of new pollution control technologies in conjunction with traditional fuels as an alternative means of reducing emissions, potential effects on public health, ambient air quality, visibility within the region, and other factors determined to be relevant by the south coast district.

(f) When implementing clean fuels projects, the south coast district shall consider limiting the use of clean fuels to specific seasons, time of day, and locations if those limitations are found by the district to further the goals of the program.

(g) The south coast district shall coordinate the clean-burning fuels program with transportation control measures adopted pursuant to paragraph (4) of subdivision (b) of Section 40440 to reduce traffic congestion, air pollution, and motor vehicle fuel consumption.

SEC. 2. Section 40448.5.1 of the Health and Safety Code is amended to read:

40448.5.1. (a) Prior to adopting the program specified in subdivision (b) of Section 40448.5 and prior to expending any funds for any research, development, or demonstration program or project relating to vehicles or vehicle fuels, the south coast district shall do both of the following:

(1) Adopt and include in the program a plan describing any proposed expenditure that sets forth the expected costs and qualitative as well as quantitative benefits of the proposed program or project.

(2) Find that the proposed program and projects funded as part of the program will not duplicate any other past or present program or project funded by the state board, the State Energy Resources Conservation and Development Commission, an air quality management district or air pollution control district, a public transit district or authority within the geographic jurisdiction of the south coast district, the San Diego Transit Corporation, the North County Transit District, the Sacramento Regional Transit District, the Alameda-Contra Costa Transit District, the San Francisco Bay Area Rapid Transit District, the Santa Barbara Metropolitan Transit District, the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District, the Pacific Gas and Electric Company, the Southern California Gas Company, the Southern California Edison Company, the San Diego Gas and Electric Company, or the Office of Mobile Sources within the Environmental Protection Agency. This paragraph is not intended to prevent funding for programs or projects jointly funded with another public or private agency where there is no duplication.

(b) (1) The Office of Technology Advancement shall provide notice to interested parties and the public at least 30 days prior to the annual public hearing at which the south coast district board or a committee of the board takes action to approve the clean-burning fuels program.

(2) For the purpose of this subdivision, “interested parties” includes groups involved in research, development, and application of clean fuels technologies; public health and environmental organizations with expertise in air pollution related diseases and alternative energy technologies; relevant media; legislators, members of the county board of supervisors, and members of any city council that represent territory within the south coast district; and any member of the general public who has expressed interest in the program.

(c) (1) The south coast district shall establish an advisory group to make recommendations to the south coast district board regarding the clean-burning fuels program, technology advancement, and pollution reduction. The advisory group shall make recommendations regarding the most cost-effective projects that

advance and implement clean fuels technology and improve public health.

(2) The advisory group shall consist of 13 members with expertise in either clean fuels technology and policy or public health, or both. The members shall be appointed from scientific, academic, entrepreneurial, environmental, and public health communities.

(3) The members of the advisory group shall adopt conflict-of-interest guidelines that prohibit a member from advocating an expenditure involving a project in which the member has a professional or an economic interest.

(4) The south coast district shall consult with the advisory group regarding approval of the annual report required by subdivision (d). The results of that consultation shall be provided to the south coast district board prior to its approval of the report.

(d) Notwithstanding Section 7550.5 of the Government Code, on or before March 31 of each year that the clean-burning fuels program is in operation, the south coast district shall prepare and submit to the office of the Legislative Analyst and to the committees of the Legislature responsible for improving air quality a report that, at a minimum, includes all of the following:

(1) A description of the core technologies that the south coast district considers critical to ensure the attainment and maintenance of national and state ambient air quality standards and a description of the efforts made to overcome barriers to commercialization of those technologies.

(2) An analysis of the impact of the south coast district's clean-burning fuels program on the private sector and on research, development, and commercialization efforts by major automobile and energy firms, as determined by the district.

(3) A description of clean-burning fuels projects funded by the south coast district, including a list of recipients, subcontractors, cofunders, and matching state or federal funds, and a description of expected and actual results of each project in advancing and implementing clean fuels technology and improving public health.

(4) The title and purpose of all projects undertaken pursuant to the clean-burning fuels program, the names of the contractors and subcontractors involved in each project, and the amount of money expended for each project.

(5) A summary of the actual progress made toward the goals of the clean-burning fuels program.

(6) Funding priorities identified for the next fiscal year and relevant audit information for previous, current, and future fiscal years covered by the report.

(e) Within 120 days from the date of the conclusion of a program or project subject to subdivision (a) that is funded by the south coast district, the south coast district shall issue a public report that sets forth the actual costs of the program or project, the results achieved

and how they compare with expected costs and benefits determined pursuant to paragraph (1) of subdivision (a), and any problems that were encountered by the program or project.

(f) Notwithstanding any other provision of law, the south coast district may recover the costs of implementing this section from the revenues it receives for alternative fuel research, development, and demonstration pursuant to Section 9250.11 of the Vehicle Code.

SEC. 3. Section 9250.11 of the Vehicle Code is repealed.

SEC. 4. Section 9250.11 is added to the Vehicle Code, to read:

9250.11. (a) In addition to any other fees specified in this code and the Revenue and Taxation Code, a fee of one dollar (\$1) may be imposed by the South Coast Air Quality Management District and shall be paid to the department, upon renewal of registration of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code and registered in the south coast district, except any vehicle that is expressly exempted under this code from the payment of registration fees.

(b) Prior to imposing fees pursuant to this section, the south coast district board shall approve the imposition of the fees through the adoption of a resolution by both a majority of the district board and a majority of the district board who are elected officials. After deducting all costs incurred pursuant to this section, the department shall distribute the additional fees collected pursuant to subdivision (a) to the south coast district, which shall use the fees to reduce air pollution from motor vehicles through implementation of Sections 40448.5 and 40448.5.1 of the Health and Safety Code.

(c) Any memorandum of understanding reached between the district and a county prior to the imposition of a one dollar (\$1) fee by a county shall remain in effect and govern the allocation of the funds generated in that county by that fee.

(d) The South Coast Air Quality Management District shall adopt accounting procedures to ensure that revenues from motor vehicle registration fees are not commingled with other program revenues.

(e) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2005, deletes or extends that date.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to help ensure that continuity of the Clean Fuels Program of the South Coast Air Quality Management District is maintained, it is necessary that this act take effect immediately.

